



STATE OF INDIANA  
OFFICE OF THE GOVERNOR  
State House, Second Floor  
Indianapolis, Indiana 46204

Mitchell E. Daniels, Jr.  
Governor

## MEMORANDUM

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**To:** Legislative Council of the General Assembly  
**From:** Governor Mitch Daniels  
**Date:** October 31, 2006  
**Re:** Report to Legislative Council on Government Efficiency Commission Findings

I am reporting to you, pursuant Section 256 of P.L. 246-2005, on the recommendations of the Government Efficiency Commission (Commission) that the General Assembly charged with the examination of state boards and commissions. First, I would like to thank the citizens that served on this subcommittee for their investment of time and resources in answering the call to help make state government more effective for all Hoosiers. I doubt they realized the size of the undertaking when they volunteered for this service as they uncovered and researched hundreds of commissions, boards, and advisory councils, the creation of some dating back to the 1800's.

It is evident from the subcommittee's report that state government has not paused from the creation of boards and commissions, however well intentioned, to critically examine the need for new entities, their relationship with other existing boards or commissions, or the continued relevance and effectiveness of the existing bodies. Citizen participation is necessary for an open and transparent government and the input from outside experts and consumers should improve the delivery of government services. Unfortunately as the report makes clear, the proliferation of boards, commissions, committees, councils, etc. has compromised the delivery of that public value to Hoosier taxpayers.

The Committee, which conducted its review as six separate subject matter teams, was tasked by the legislature under Section 256 of P.L. 246-2005 to:

- 1) "Make recommendations to improve efficiency and reduce unnecessary costs associated with any board or commission."
- 2) "Review and make recommendations to the Governor concerning each board or commission about the following:
  - a. Whether the board or commission should be continued, reorganized, or combined with another board, commission or state agency.
  - b. Whether the board or commission should be terminated or allowed to expire."

The majority of the report focused on making recommendations to improve efficiency and reduce unnecessary costs associated with the 300+ state boards and commissions. These recommendations were offered to address the following observations:

- Lack of clarity or relevance in a board's mission for today's circumstances
- Similarity in mission across multiple boards
- "Mission creep" to perpetuate board existence

It would be irresponsible for these symptoms of the current system to continue. Further study is not the answer. Based on the recommendations of the Commission subcommittee the legislature should act as follows:

1. Sunset by December 31, 2007 all boards, commissions, committees, councils except those that do receive a direct state appropriation, are mandated by federal law or regulation in order to receive federal funds or deliver necessary services, or are petitioned for continuation by the relevant state agency as necessary for the execution of its responsibilities and/or delivery of services. Such petitioning should occur by June 30, 2007, include a sunset date and recommendations for the merging of entities with similar missions and objectives. The petition will be reviewed by Governor's Office and the Office of Management and Budget (OMB).
2. Prohibit the creation of a new board, commission, committee, or council, without the review and certification by the applicable executive state agency and OMB that there is no existing body that could address the identified need. If the proposed board involves regulation of business, the review team should include input from the Indiana Economic Development Corporation on the impact to the proposed regulated community. Any new entity should include a sunset date no longer than five years from its date of creation.

As noted in the report, significant state agency staff resources are consumed in supporting these boards and commissions. Scheduling, meeting minutes preparation, and distribution of materials are significant hidden costs often omitted in discussions focused on per diems. The report included many constructive operational recommendations many of which focused on better use of technology. These recommendations merit consideration and implementation.

Additional recommendations regarding the effectiveness of state government programs and the governance of such programs will also be included in a report prepared by OMB and delivered to you in December.

The hard work of this citizen committee, which undertook its mission at the request of the legislature, should not be ignored. I look forward to working with you in these areas identified for improvement in state government.

